

Financial Management of a Non-profit-making Organisation with an International Element

Abstract

The purpose of this thesis is to illustrate in complexity financial management of a specific type of non-profit-making legal entity, an organisation with an international element. The reason for my research is the fact that the regime of a non-profit-making organisation, especially in the area of accounting and taxes, differs in many aspects from the one of profit-making entities and is very complex, complicated and unclear. Moreover, the regulations of this very type of non-profit-making organisation have never been analysed in complexity before.

In the text I try to analyse the legal regulations, collect and summarize accessible opinions of experts and introduce some of my own theories.

The paper is composed of five chapters, each of them examining different aspects of the legal and especially financial regime of the organisation.

Chapter One illustrates the basic issues concerning the concept of a non-profit making organisation. The chapter is subdivided into four parts. Part One deals with the notion itself. Part Two explains the reasons for its existence and purposes of its activities. Part Three describes different forms it can exist in. Part Four documents a short history of the non-profit-making organisations in Czech Republic and the actual situation.

Chapter Two is focused on the legal regulation of the organisation with and international element. The chapter consists of two parts. Part One outlines the historical context for introduction of this entity into Czech legal system. Part Two is an analysis of the current legal situation.

Chapter Three is subdivided into four parts and provides an overview of the principles of funding of the organisation. Part One illustrates the general issues of the topic. Part Two highlights the rules of fundraising. Part Three outlines the financial resources in general, part four explores various resources in detail.

Chapter Four is concerned with the legal regulations for the accounting. Part One reviews the purposes and types of accounting systems. Part Two gives an overview of current legal regulations concerning accounting of the organisation. Part Three focuses on some specific issues related to the accounting of the organisation with an international element.

Chapter Five examines various tax liabilities of the organisation. Its five parts deal with the income tax, the value added tax, the inheritance, gift and real estate-transfer tax, the real estate tax and finally road tax.

The main aim of the thesis to outline a complex overview of the financial management of an organisation with an international element has been reached. In the conclusion I first try to review my opinions on the various issues. Second I compare the economic and legal situation of the organisation and a profit-making establishment. My conclusion is that the organisation has a completely dissimilar spectrum of financial resources and specific regime of accounting. As regards taxation, it carries an excessive burden of administration to fulfil the requirements of law and notwithstanding the tax reliefs the final outcome is not really advantageous. I review the problematic aspects and finally I suggest the general course of the new legislation that should be passed.

Klíčová slova

organizace s mezinárodním prvkem; finanční hospodaření; nezisková organizace

Organisation with an International Element; Financial Management; Non-profit-making Organisation